Recovery of Bank loans from various corporations in Bihar

920. DR. NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the State Government owned corporations in Bihar have misused Rs, 100 crore, lent to them by various nationalised banks,

(b) if so, what are the details thereof;

(c) what steps Government have taken to recover that loan; and

(d) since when this loan is pending for recovery and what are the major impediments in its reovery?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) Presumably, the Hon'ble Member is referring to the functioning of Bihar State Financial Corporation (BSFC) and Bihar Industrial Credit & Investment Corporation Ltd. (BICICO), Industrial Development Bank of India (IDBI) has reported that it provides refinance assistance to BSFC and BICICO in respect of their loans. The Small Industries Development Bank of India (SIDBI) also provides Corporations. However, the financial health of BSFC and BICICO is declining in the past few years due to which overdue from them are mounting. Considering the problems faced by the Corporations, IDBI has appointed Mls. A. F. Fergusson and Company, to conduct an indepth study of the affairs of the Corporations and suggest an action plan for their revamping.

Improving the inter-agencies cooperation

921. SMT. CHANDRIKA ABHINANDAN JAIN: Will the Minister of FINANCE be pleased to state:

(a) whether the United Nations General Assembly had passed a Resolution in December, 1992 which called for improving the effectiveness and efficiency of inter-agency cooperation and for improving the cost effectiveness and operational efficiency of the UN agencies;

(b) whether in response to this Resolu tion a joint mid term review by the principal funding agencies of the United Na tions with the Indian Government on the programmes of cooperation has been un dertaken in India; and

(c) if so, what are the details of the outcome of the review?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS: (DR. ABRAR AHMED): (a) and (b) Yes, Sir.

(c) A joint mid term review by the principal funding agencies of the United Nations was held in New Delhi on May 20-21, 1993 on programmes of cooperation with the Government of India. The minutes of the review are awaited from the Resident Coordinator. Broadly, the review concentrated on the operational activities in India of the agencies which are members of the Joint Consultative Group on policies of UN, with special attention to harmonising their activities and giving a clear focus to their efforts. It also considered the availability and utilisation of resources and the need to address in the projects both the UNDP mandate and the priorities of the Government.

922. *[Transferred to 5th August,* 1993]

Amendment to the S.D.F.C. Abolition Act, 1986

@923. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to refer to the Unstarred Question 1736 given in Rajya Sabha on 12th May, 1993 and state:

(a) whether Government propose to amend the S.D.F.C. Abolition Act of 1986;

(b) what specific changes would be brought about by amending the S.D.F.C. Abolition Act of 1986; and

(c) whether the deep-sea fishing industry based in Visakhapatnam would be con-

@Previously Unstarred question No, 281 transferred from 28th July, 1993.

suited on the need for amendment of the S.D.F.C Abolition Act of 1986?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR, AHMED): (a) Yes Sir.

(b) and (c) The proposed amendmetots are yet to be finalised. The Ministry of Food Processing Industries (MFPI) would be consulted before finalising the proposed amendments.

Payment of claims by subsidiaries of GIC

924. SHRI H. HANUMANTHAPPA. Will the Minister of FINANCE be >leased to state:

(a) whether it is a fact that the subsidiaries of General Insurance Corpora-ion have violated the Insurance Act by paying the claims to certain policy holders without collecting the premia from them before the occurrence of the accident-

(b) if so, what are the names of the subsidiaries who have violated the Insurance Act and action proposal to be taken against them and to recover payments made to the policy-holders before the occurrence of the accident; and

(c) what steps are proposed to be taken by Government to avert this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) The information is being collected avid will be laid on the Table of the House.

Hindranros for foreign investment

925. SHRI SANGH PRIYA GAUTAM:

DR. NAUNIHAL SINGH:

SHRI O. RAJGOPAL:

Will the Minister of FINANCE be pleased to state:

(a) in what manner Japanese Industry has taken the economic reforms being earned out by the Indian Government;

(b) what are the reasons that India has been accorded such a low priority by Japanese industry; and

(c) what are the major problems, which are still preventing greater foreign investment in India?

THE MINISTER OF STATE IN THE MUNTSTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARIJAMENTARY F'AIRS (DR. ABRAR AHMED): There are several indications that Japanese industry has welcomed the economic reforms being carried out by the Indian Government.

(b) There are several factors contributing to low investments by Japanese companies in India. Currently, recessionary, conditions in the Japanese economy have not been conducive to a step up in Japanese investment in India.

(c) The foreign investment climate is determined by a large number of factors relating to the state of the domestic economy, perceptions of the policy framework and direction of policy, the state of the World economy and the political atmosphere in the country. Government's determined efforts at reform of the stock markets have instilled confidence in the minds of foreign investors.

Step to Boost up Capital Formation

926. SHRI BISHAMBHAR NATH PANDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an infla tion rate of averaging 10 per cent a year has. created a situation where the gross capital formation in rural sector has turned negative for the last many years;

(b) if so. what are the details there of; and